



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: October 19, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: Christine G. Romig, Division of Economic Regulation
RE: Docket No. 001512-TI, TeleUno, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

Also Section 364.01 (3) and (4) states that:

(3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.

and

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets . . .

Regarding the showing of financial capability, the Finance staff has analyzed the pro forma financial statements of TeleUno, Inc. (TeleUno). As the attached schedule shows, TeleUno projects net income, adequate liquidity and an adequate equity ratio.

In this matter, TeleUno is asking for a certificate to provide IXC service. For purposes of granting a certificate, the financial capability appears adequate based on the projected financial information provided.

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The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it does not have a need for a large amount of capital to offer its services. Also, the applicant does not anticipate taking on any debt, however it attests to having a good banking relationship should an unexpected need for financing ever arise. Further, TeleUno states that its international and interstate revenues can support its Florida operations until Florida operations become profitable.
Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ORIGINAL

DOCKET NO. 001512-TI  
TeleUno, Inc.  
INTEREXCHANGE TELECOMMUNICATIONS SERVICE

FINANCIAL ANALYSIS

PROFORMA

CURRENT ASSETS	\$304,078
CURRENT LIABILITIES	319,254
CURRENT RATIO (CA/CL)	0.9525
CASH & CASH EQUIVALENTS	(60,126)
COMMON EQUITY	329,582
TOTAL DEBT (SHORT-TERM & LONG TERM)	170,376
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	499,958
COMMON EQUITY RATIO	66%
NET INCOME/(LOSS)	133,139
RETURN ON EQUITY (Net Income/Equity)	0.4040

(a)

(b)

(a) .8 is marginal; .95 is adequate

(b) 35% is marginal

EQUITY RATIO:

EQUITY / INVESTOR CAPITAL

(Common Equity / (Common Equity + Pfd. Stk. + LT. Debt + Current LT. Debt + ST Debt))

NMF	=	NO MEANINGFUL FIGURE
3/3	=	ADEQUATE
2/3	=	ADEQUATE
1/3	=	MARGINAL
0/3	=	MINIMAL

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